

# Variation to the 2012 Solar Feed-in Tariff Premium - Price Determination - 27 June 2013

The Essential Services Commission of South Australia (**ESCOSA**) has varied its determination of the Feed-in Tariff premium (**FIT Premium**) to apply from 1 July 2013. The Commission has determined that the FIT Premium to apply from 1 July 2013 to 31 December 2013 will be 9.8 cents per kWh.

All small (residential and small business) customers who have an eligible solar photovoltaic (PV) unit (**solar customers**) are entitled to receive the FIT Premium for electricity fed into SA Power Network's distribution network. The FIT Premium is payable by electricity retailers and is additional to the 44 cents per kWh (for pre-October 2011 eligible PV installations) or 16 cents per kWh (for post-October 2011 eligible PV installations) payable by SA Power Networks.

The FIT Premium reflects the fair and reasonable value to a retailer of electricity fed into the network by solar customers and all retailers selling electricity to solar customers are required to pay at least the amount set by ESCOSA - although they may choose to pay a higher amount.

## THE REVISED FEED-IN TARIFF PREMIUM FOR SOLAR CUSTOMERS

ESCOSA has varied the initial (and current) determination of the FIT premium, which was made in January 2012. The **Variation to the 2012 Solar Feed-in Tariff Premium-Price Determination** outlines ESCOSA's statement of reasons for varying the original determination.

ESCOSA's variation to the 2012 Determination specifies that the minimum retailer FIT Premium to apply from 1 July 2013 until 31 December 2013 is 9.8 cents per kWh, revised from the previously determined 11.2 cents per kWh. The revised premium reflects the reduction in the value of feed-in electricity relative to the value that was forecast under ESCOSA's 2012 FIT premium determination. If ESCOSA had not varied the determination, the FIT Premium to apply from 1 July 2013 would have been above ESCOSA's best estimate of the value of that energy, and retailers may have not competed for solar customers and/or looked to recover those additional costs from other consumers, placing upward pressure on energy prices to all customers.

The FIT premium determination made by ESCOSA in 2012 was due to expire on 30 June 2014. The Commission has brought forward that expiry date to 31 December 2013, to reflect the review it is undertaking on the nature of, or need for, future price regulation of the FIT premium. This review is being undertaken to assess whether deregulation of the FIT premium should occur in light of the deregulation of energy retail prices in South Australia in February 2013. ESCOSA has commenced the review with the release of an Issues Paper today and interested parties are invited to make submissions to that review by 26 July 2013.

## SUMMARY OF FEED-IN TARIFFS TO APPLY FROM 1 JULY 2013 TO 31 DECEMBER 2013

Solar customers are entitled to receive both a FIT Premium from electricity retailers and a FIT from SA Power Networks, as shown below.<sup>1</sup>

Solar customer feed-in credit classes under the South Australia Feed-In Tariff Scheme (nominal cents per kWh and GST exclusive)

PV Installation/ Approval Date	FIT Premium from Retailers (from 1 July 2013 - 31 December 2013)	FIT from SA Power Networks	Total (from 1 July 2013 - 31 December 2013)
Class 1 Before 1 October 2011	9.8c/kWh	44.0c/kWh	53.8c/kWh
Class 2 1 October 2011 to 30 September 2013	9.8c/kWh	16.0c/kWh	25.8c/kWh
Class 3 From 1 October 2013	9.8c/kWh	0.0c/kWh	9.8c/kWh

Both the FIT Premium and the FIT are credited on quarterly electricity bills issued by electricity retailers. The value of feed-in credits shown on a solar customer's electricity bill is determined by multiplying the amount of electricity (measured in kWh) fed into SA Power Networks' network and the relevant feed-in credit amount (the amount determined to apply from 1 July 2013 is shown in the table above).

Further information about ESCOSA's Variation to the 2012 Solar Feed-in Tariff Premium-Price Determination and the Issues Paper on Review of the Solar Feed-in Tariff Premium can be found at [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au).<sup>2</sup>

<sup>1</sup> Note: Customers operating excluded generators (as determined by SA Power Networks in accordance with the provisions of the Electricity Act) are excluded from receiving the FIT from SA Power Networks but are entitled to receive the FIT Premium.

<sup>2</sup> <http://www.escosa.sa.gov.au/library/130627-Variationto2012DeterminationofSolarFeed-StatementOfReasons.pdf>